

*****The following rules and regulations are subject to change at any time, and should be reviewed frequently.***

Revised 08/04/2003

RULES AND REGULATIONS

1. **REGISTRATION** - Registration will start at the time specified on the cover of each auction catalog. No bids will be accepted unless the bidder has registered and received a pre-numbered bid card. Driver's license and social security number will be required to register. Driver's license or state I.D. must be presented in order to receive a bidder number. All sales will begin one hour after the registration start time.
2. **PROPERTIES OFFERED** - The list of State-owned properties being offered, identified by sale unit numbers, has been approved for sale at public auction by the Department of Natural Resources Director. According to State statutes, offered parcels are subject to any liens, easements, building or use restrictions, governmental interests, or special assessments not extinguished pursuant to section 78k of Act 206, P.A. 1893, as amended (MCL 211.78k), and are subject to the lien of taxes levied in the same calendar year as the year of the sale and of taxes not yet due and payable, and further subject. These properties are subject to any state, county or local zoning or building ordinances. The State of Michigan does not guarantee the usability or access to any of these lands. It is the responsibility of prospective purchasers to do their own research as to the use of the land for their intended purpose and to make a personal inspection of the property on the ground to determine if it will be suitable for the purposes for which it is being purchased. The state of Michigan makes neither representations nor claims as to fitness for purpose, ingress/egress, conditions, covenants, or restrictions. Occupied structures may not be entered without the tenants' permission. Secured vacant structures may not be entered.

All offered properties may be subject to flooding. Any new construction or reconstruction should be elevated above the 100-year flood plain. Also, any filling, dredging or other permanent construction below the ordinary high-water mark of the water body involved may be subject to the provisions of 1972 Public Act 346. Any earth change on the property may be subject to the provisions of 1972 Public Act 347. These properties may also be subject to the Goemaere--Anderson Wetland Protection Act, 1979, Public Act 203.

3. **MINIMUM BID PRICE** - The minimum bid prices are shown on the list. No sales can be made for less than the minimum bid price indicated.
4. **BIDDING** - Any registered person may bid on the properties offered. Any person unable to attend the sale can be represented at the sale by an agent or other representative with authority to bid and otherwise represent the person. The registered bidder is legally and financially responsible for all parcels bid upon whether representing ones self or acting as an agent. Each sale unit will be offered separately and in the order appearing on the list. Each sale will be awarded to the individual bidding the highest amount bid, equal to or greater than the minimum bid.

An oral bid accepted at public auction is a legal and binding contract to purchase a parcel. No sealed bids will be accepted and the Natural Resources Department reserves the right to reject any or all bids. **BIDS WILL BE ACCEPTED IN INCREMENTS OF \$50.00 OR MORE STARTING WITH THE INDICATED MINIMUM BID. ONCE THE BID IS \$5,000 OR MORE, ALL BIDS MUST BE IN INCREMENTS OF \$100.00 OR MORE.** Bids must be in whole dollar amounts.

5. **TERMS OF SALE** - The full purchase price must be paid within 1 hour of the completion of bidding on the final parcel each day of the sale. The purchase price consists of the accepted highest bid, plus \$20.00 per requested deed. Regrettably, bidding may run later than normal banking hours. It is the bidders' responsibility to already have acceptable funds available for payment. We will only accept cash or cashier's checks as payment for parcels which, including fees, total \$1,000.00 or less. Purchases totaling more than \$1,000.00 **MUST** be paid in full by cashier's check. We will **NOT** accept personal checks, business checks, money orders or charge cards

All pre-issued checks should be made payable to the bidder, and may be signed over to the State for successful purchases. The State will issue checks back to buyers who owe less than the amount of the pre-prepared cashier's checks. Cashier's checks retrieved for the exact amount during the auction should be made payable to the State of Michigan. All monies paid and all properties bid upon will be forfeited if the purchaser fails to consummate any part of any purchase on any day of the auction. Bidders who fail to consummate a purchase within 1 hour following the final bid will be banned from bidding at all future state land auctions.

THE STATE RESERVES THE RIGHT TO CANCEL ANY SALE, AT ANY TIME.

Any announcements made by the auctioneer on the day of the sale take precedence over previously published or verbally conveyed terms and conditions. Bidders must be attentive at the auction!

6. **PURCHASE CERTIFICATES** - Successful bidders at the sale will be issued a receipt for their purchases, upon payment. Purchasers will be entitled to deeds for the property descriptions identified by the assigned sale unit numbers noted on the purchase certificates. All properties purchased in each county will be placed on the same purchase certificate, and subsequently the same deed, unless the successful bidder prepares separate preliminary purchase applications, or unless otherwise required due to individual parcel terms.
7. **TITLE BEING CONVEYED** - Quit-claim deeds will be issued conveying only such title as received by the State through tax foreclosure. Title insurance companies may or may not issue title insurance on properties purchased at this sale. The State makes no representation as to the availability of title insurance and the **UNAVAILABILITY OF TITLE INSURANCE IS NOT GROUNDS FOR RECONVEYANCE TO THE STATE.** The purchaser may incur legal costs for quiet title action to satisfy the requirements of title insurance companies in order to obtain title insurance.

8. **RESERVATIONS** - Pursuant to statutes, all deeds issued for properties less than five acres in size shall contain the following reservation and stipulation: “SAVING AND RESERVING unto the People of the State of Michigan the rights of ingress and egress over and across all of the above-mentioned descriptions of land lying along any watercourse or stream, pursuant to the provisions of Part 5, Act 451, P.A. 1994, as amended. Further, excepting and reserving to the State of Michigan, all aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines or other relics and also reserving the right to explore and excavate for the same, by and through its duly authorized agents and employees, pursuant to the provisions of Part 761, Aboriginal Records and Antiquities, of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994, as amended. This conveyance hereby restricts the Grantee from severing oil, gas, mineral and other subsurface rights from the surface rights any time in the future. If the Grantee severs the subsurface rights from the surface rights, the subsurface rights will revert to the State of Michigan.” At the discretion of the Department of Natural Resources, parcels that are five acres or more will be offered on a case by case basis with this same reservation, or with the reservation of all oil, gas, mineral and other subsurface rights. Reservation of subsurface rights will be noted at the end of the legal description(s) of property.
9. **SPECIAL ASSESSMENTS** - Special assessments through tax year 2002 are included in the minimum bids. All bidders should contact city or township offices to determine if there are any outstanding bonded assessments for future tax years on the properties being offered.
10. **PROPERTY TAXES** - ALL PROPERTY TAXES THAT BECAME DUE AND PAYABLE AFTER MARCH 31, 2003 WILL BE THE RESPONSIBILITY OF THE PURCHASER.
11. **POSSESSION OF PROPERTY** - We recommend that no purchaser take physical possession of any property bid upon at this sale until a deed has been executed and delivered to the purchaser. No activities should be conducted on the site other than a baseline environmental assessment for contaminated properties. However, steps should be taken to protect your equity in this property by securing vacant structures against entry and obtaining (homeowners) insurance for occupied property. Additionally, buyers are responsible for contacting local units of government to prevent possible demolition of structures situated on parcels.

12. **CONDITIONS** – The purchaser accepts the premises in its present “as is” condition, and releases the Natural Resources Commission and the Department of Natural Resources and its officers, employees and agents from all liability whatsoever arising from any condition of the premises, whether now known or subsequently discovered, including but not limited to all claims based on environmental contamination of the premises.

A person who acquires property that is contaminated (a “facility” pursuant to Section 20101(1)(l) of the Natural Resources and Environmental Protection Act (NREPA), 1994, P.A. 451, as amended) as a result of release(s) of a hazardous substance(s) may become liable for all costs of cleaning up the property and any other properties impacted by the release(s). Liability may be imposed upon the person acquiring the property even in the absence of any personal responsibility for, or knowledge of, the release. Protection from such liability may be obtained by conducting a Baseline Environmental Assessment (BEA) as provided for under Section 20126(1)(c) of NREPA. However, the BEA must be conducted prior to or within 45 days of the earliest date of purchase or occupancy of the property. Persons who acquire contaminated property may have “due care” obligations under Section 20107a of NREPA even if they conduct a BEA and are not liable for the contamination.

Pursuant to Part 201 of the NREPA, the person(s) responsible for an activity causing a release at the property is obligated to pursue response activities at the property. Consequently, the non-liable purchaser may be required to provide access to a liable party to conduct response activities at the property in the future.

Section 20116 of the NREPA requires that a person who has knowledge that their property is contaminated provide a written notice to the purchaser or other person to which the property is transferred which discloses the general nature and extent of the release. Additional disclosure obligations may also apply at the time the property, or an interest in the property, is transferred.

Accordingly, we recommend that a person who is interested in acquiring surplus State property contact an attorney or an environmental consultant for advice prior to the acquisition of any surplus State property that may be contaminated.

Anyone interested in purchasing contaminated parcels may contact the Department of Environmental Quality’s, Environmental Assistance Center at 1-800-662-9278 for possible information regarding environmental concerns on any of these properties.

13. **DEEDS** - Deeds are executed within 30 days and are forwarded to purchasers as soon as they are recorded at the county registers of deeds offices.